



## DEPARTMENT OF DEFENSE

### Office of the Secretary

[Transmittal No. 21-55]

### Arms Sales Notification

**AGENCY:** Defense Security Cooperation Agency, Department of Defense (DoD).

**ACTION:** Arms sales notice.

**SUMMARY:** The DoD is publishing the unclassified text of an arms sales notification.

**FOR FURTHER INFORMATION CONTACT:** Neil Hedlund at [neil.g.hedlund.civ@mail.mil](mailto:neil.g.hedlund.civ@mail.mil) or (703) 697-9214.

**SUPPLEMENTARY INFORMATION:** This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 21-55 with attached Policy Justification and Sensitivity of Technology.

Dated: March 29, 2023.

**Aaron T. Siegel,**

*Alternate OSD Federal Register Liaison Officer,*

*Department of Defense.*



**DEFENSE SECURITY COOPERATION AGENCY**  
**201 12<sup>TH</sup> STREET SOUTH, SUITE 101**  
**ARLINGTON, VA 22202-5408**

August 25, 2021

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
H-209, The Capitol  
Washington, DC 20515

Dear Madam Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 21-55, concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Australia for defense articles and services estimated to cost \$350 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

A handwritten signature in black ink, appearing to read "Jedidiah P. Royal", is written over a horizontal line.

Jedidiah P. Royal  
Deputy Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Government of Australia

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$350 million</u>
TOTAL	\$350 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):  
None

Non-MDE:  
Defense services related to the future purchase of Standard Missile 6 Block I (SM-6) and Standard Missile 2 Block IIIC (SM-2 IIIC) missiles. These services include development; engineering, integration, and testing (EI&T); obsolescence engineering activities required to ensure readiness; U.S. Government and contractor engineering/technical assistance; related studies and analysis support; and other related elements of programmatic, technical and logistics support.

(iv) Military Department: Navy (AT-P-AVY)

(v) Prior Related Cases, if any: None

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex

(viii) Date Report Delivered to Congress: **August 25, 2021**

\*As defined in Section 47(6) of the Arms Export Control Act.

## POLICY JUSTIFICATION

### Australia – Defense Services Related to Future Standard Missile Production

The Government of Australia has requested to buy defense services related to the future purchase of Standard Missile 6 Block I (SM-6) and Standard Missile 2 Block IIIC (SM-2 IIIC) missiles. These services include development; engineering, integration, and testing (EI&T); obsolescence engineering activities required to ensure readiness; U.S. Government and contractor engineering/technical assistance, and related studies and analysis support; technical and logistics support services; and other related elements of program and logistical support. The total estimated value is \$350 million.

This proposed sale will support the foreign policy and national security objectives of the United States. Australia is one of our most important allies in the Western Pacific. Australia is strategically positioned to contribute significantly to ensuring peace and economic stability in the region. It is vital to the U.S. national interest to assist our ally in developing and maintaining a strong and ready self-defense capability.

The proposed sale will support the readiness and future sale of vital anti-air warfare capability that can be deployed from Australia's newest Hunter-Class Destroyers equipped with the latest AEGIS Combat Systems. The purchase of Standard Missile 6 Block I (SM-6) and Standard Missile 2 Block IIIC (SM-2 IIIC) missiles is currently included in Australia's procurement roadmap and will improve their ability to operate alongside U.S. and Allied naval forces against the full spectrum of naval threats. Australia will have no difficulty absorbing these defense services into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal U.S. contractor will be Raytheon Missiles and Defense (RMD), Tucson, AZ. There are no known offset agreements proposed in connection with this potential sale.

Implementation of the proposed sale will require U.S. Government and contractor personnel to visit Australia on a temporary basis in conjunction with program technical oversight and support requirements, including program and technical reviews.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act

Annex  
Item No. vii

(vii) Sensitivity of Technology:

1. The proposed sale will result in the transfer of sensitive and classified technical data related to obsolescence engineering, integration, and test activities required to ensure readiness for the future procurement of Standard Missile 6 Block I (SM-6) and Standard Missile 2 Block IIIC (SM-2 IIIC) missiles. No SM-6 Blk I or SM-2 IIIC hardware or software will be transferred under this proposed sale. Australia currently employs SM-2 Block IIIA and IIIB on Royal Australian Navy (RAN) AEGIS surface combatants, and has been afforded access to similar technical information for these delivered systems.
2. The highest level of classification of defense articles, components, and services included in this potential sale is SECRET.
3. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.
4. A determination has been made that the Government of Australia can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.
5. All defense articles and services listed in this transmittal are authorized for release and export to the Government of Australia.